

NEWS

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Fort Lee Man Sentenced to 37 Months in Prison for Structuring Bank Deposits to Evade Reporting Requirements and Credit Card Fraud

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CAMDEN – A Fort Lee man was sentenced to 37 months in federal prison today for structuring financial transactions to evade reporting requirements on financial institutions and credit card fraud, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Jerome B. Simandle also ordered Kamal S. Elhomsy, 42, to serve three years of supervised release pending the completion of his prison term. Judge Simandle continued the defendant's \$50,000 bond pending his surrender on Feb. 9, 2007, to the Federal Bureau of Prisons.

Elhomsy pleaded guilty before Judge Simandle on Aug. 3, 2006, to one count of structuring transactions to evade reporting requirements and one count of credit card fraud. The Indictment charge that between Jan. 9, 2001, and July 15, 2002, the defendant made 64 structured financial transactions worth a total of more than \$600,000 in an attempt to evade currency reporting requirements placed on banking institutions to report transactions in amounts of \$10,000 or greater. Nearly all of Elhomsy's bank deposits were made in amounts of either \$9,500 or \$9,900, and were deposited in Hudson County at numerous bank branches of Fleet Bank, First Union National Bank and Citibank.

Additionally, from March 2002 to November 2002, Elhomsy obtained more than \$275,000 in cash advances and merchandise through unauthorized use of credit cards, according to the Indictment. At his plea hearing, Elhomsy admitted that during that period of time he had at least fourteen credit cards issued by companies including Sears, MBNA, Discover, American, First USA and JP Morgan. Elhomsy admitted that he used the credit cards with the intent to defraud the companies.

After receiving a credit card, Elhomsy admitted he would often make small initial purchases on these credit cards and quickly pay the balance. Based in part on this activity, the credit card companies would increase the credit limit on the credit cards. When a credit card had reached its credit limit or had a large balance, the defendant on many occasions submitted payment in the form of a check drawn on a bank account that Elhomsy knew had insufficient funds to cover the payment. After these payments were posted, but before the credit card companies were notified that the checks would not be honored for lack of funds, Elhomsy used the credit cards to make additional purchases and cash advances, he admitted.

In determining the actual sentence, Judge Simandle consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge Leslie G. Wiser, Jr., in Newark, and IRS Criminal Investigation, under the direction of Special Agent in Charge Patricia J. Haynes, in Newark, with the investigation.

The Government is represented by Assistant U.S. Attorneys Joshua Drew and Allen Harberg, Jr., of the U.S. Attorney's Criminal Division in Camden.

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Defense Attorney: Lori M. Koch, Esq. Federal Public Defender's Office